

DAY 2

Governor's Challenge: Savings for Schools

Barbour Challenges Legislature to a One-Year Savings Test for Education

(Jackson, MS) Governor Haley Barbour has challenged legislative leaders to a one-year test to see which savings plan would save more from state government to go toward education. There is no word yet on whether the offer will be accepted.

Governor Barbour vows to save \$25 million from the eleven departments he controls if legislation still alive this Session is passed to remove State Personnel Board restrictions for one year beginning July 1, 2004. The Governor also proposes saving \$130 million by restructuring Medicaid under a bill which is also alive this Session. These cost-saving measures alone add up to \$155 million in additional money.

The Mississippi House of Representatives has proposed a one year hiring freeze for all agencies in state government it says will save \$65 million. Governor Barbour said he is willing to let the House plan go into effect for all State agencies outside of his control if he is allowed to use his own savings plan in the agencies he controls. On July 1, 2005, the Governor proposes that there be a public review to determine which plan resulted in more savings.

Governor Barbour said he will like to see substantial cost-savings materialize to help alleviate Mississippi's education budget shortfall in the upcoming fiscal year. "The more money we save by 'smart-sizing' state government functions next year, the more money we will have available to fund education," said Governor Barbour. "I propose \$155 million in savings without which would make virtually impossible to find new money for education," he added.

"We can't have our cake and eat it, too. Since we will not raise taxes, this is a zero-sum budget. If we are going to add to the budget in one place - like education - we must find commensurate savings somewhere else in State government to offset that," said Governor Barbour. "I am willing to find those savings for education, and I hope the House is, too," he said.

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